

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2808 – SB 2923

April 9, 2012

SUMMARY OF AMENDMENT (016243): Adds language authorizing either party in a workers' compensation dispute to file suit in the county in which the employee resided at the time of the injury rather than the county in which the employee resides. Decreases, from \$100 to \$50, the fee for initial construction services provider registration, initial workers' compensation exemption registration, construction services provider renewal, and workers' compensation exemption renewal. Effective upon becoming law for the purposes of the Secretary of State taking necessary actions for implementation; changes to the fee structure are effective January 1, 2013.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue –

**\$236,200/Employee Misclassification Education and
Enforcement Fund/FY12-13 and Biennially Thereafter
\$1,105,400/Employee Misclassification Education and
Enforcement Fund/FY13-14 and Biennially Thereafter**

**Increase State Expenditures – \$2,500/One-Time/Employee Misclassification
Education and Enforcement Fund**

Assumptions applied to amendment:

- Based on information provided by the Secretary of State, under current law there will be 4,724 total \$100 fees paid in FY12-13 and 22,107 in FY13-14. These registrations are valid for a period of two years.
- A decrease in fee revenue of \$50 per registration/renewal.
- A decrease in biennially recurring state revenue of \$236,200 (4,724 x \$50) to the Employee Misclassification Education and Enforcement Fund beginning in FY12-13 and \$1,105,350 (22,107 x \$50) beginning in FY13-14.
- Due to a recurring increase in the number of registrants, there will be forgone state revenue, which cannot be quantified, resulting from new registrants who will register at a reduced fee amount.

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- A one-time increase in state expenditures of \$2,500 from the Employee Misclassification Education and Enforcement Fund for modifications to the TN-BEAR computer system.
- According to the Department of Labor and Workforce Development, there will be no fiscal impact on the Department.
- Disputes are first handled by the benefit review conference process provided by the Division of Workers' Compensation. Parties may file civil action in circuit or chancery court. A not significant impact from a shift of cases from one county to another.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise" with a stylized flourish at the end.

Lucian D. Geise, Executive Director

/jaw